



TODAY'S NEWS-HERALD

Havasunews.com
Serving Lake Havasu City & The Lower Colorado River Area

[Print Page](#)

News

Sales tax hike could fund local projects

By Tony Waggoner

Tuesday, July 29, 2008 9:02 PM MST

Improvements to state roads could be in-store for Arizona if a one-cent sales tax initiative proposed by state business leaders and backed by Gov. Janet Napolitano is passed this coming November.

If passed, what will this mean for Lake Havasu City? It means the city will have the opportunity, over the course of the next few years, to reinstate projects such as the proposed second bridge, Freedom Bridge project, to the island, according to interim Public Works Director Mark Clark. It could also mean improvements to roads, including State Route 95 and Swanson Avenue.

The city will basically have the ability to use the funds for whatever it deems necessary, Clark said.

"We would definitely explore the widening issue," he said. "Our money would not have any restrictions."

The one-cent sales tax initiative was the topic of discussion at the recent Tri-City Council meeting July 23 in Kingman. Council members, public works officials and city mayors from Kingman, Lake Havasu City and Bullhead City gathered last Wednesday to hear the Arizona Department of Transportation's plan for improving state roads and highways.

The Kingman Daily Miner reported ADOT Deputy Director Richard Travis told attendees the state's recent funding problems are caused by a decline in fuel taxes due to more efficient cars on the road. Travis also said construction costs and a decrease in automobiles sales coupled with lower vehicle prices in the last few years has caused the state to lose out on sales taxes and vehicle license taxes.

Proponents of the one-cent initiative claim passage of the measure could bring in as much as \$42.38 billion over the next 30 years for much-needed transportation projects.

The \$42.38 billion would be spread out, split between highway projects, rail and transit, local community programs and transportation enhancement programs, The Kingman Daily Miner reported. An estimated half would go to highway projects, alone.

Mohave County looks to receive \$1.46 billion over the next 30 years. Of the \$1.46 billion, \$165.8 million will be spread out between Lake Havasu City, Bullhead City and Kingman.

Lake Havasu City is slated to receive the most with \$75.1 million, which Clark says would be initially paid out in an average amount of \$2.4 million per year.

If passed, the initiative would most likely not begin until 2010, allowing state agencies the time to incorporate the new tax into their transportation budgets.

"It is more likely it would go into the 2009-10 budget," Clark said. "The amount will start lower and end higher over 30 years."

Clark said the actual amount the city will receive back from the state would be less than one-cent. It could be as low as .02 percent per penny.

Clark said you could make the argument for a new half-cent sale tax for each county, which would allow for more money centralized and distributed throughout the various counties.

The new state sales tax will be distributed accordingly with some cities receiving more money than others. Kingman is due to receive \$29.4 million for mobility projects such as KART and another \$7.2 million for development of walking and biking communities in the city, The Kingman Daily Miner reported. That amount is less than half of what Lake Havasu City would receive and almost \$22 million less than the \$54.1 million Bullhead City would be allotted.

Lake Havasu City usually receives about \$4 to \$5 million a year in HURF funds from gas taxes, Clark said. This would be an additional \$2.4 million tagged on to that amount. The \$2.4 million would also not face the possibility of Legislative funding reductions — which is what happened to HURF funds for fiscal year 2008-09.

The question remains, will voters pass this new tax? Will they think improvements to state roads are worth an extra penny per grocery in this difficult economic time?

Clark says if the initiative doesn't pass, it will basically leave cities and the state in the same predicaments they are in now.

"If it doesn't pass, we won't do a lot of projects," he said.

Clark said it is a matter of additional resources. If the initiative doesn't pass, there won't be any additional resources to use for projects the city has had to place on hold due to the lack of funding.

 [What is RSS?](#)

All original content Copyright © 2008 Todays News Herald and may not be reprinted without permission. Todays News Herald Online is a service of Todays News Herald, Inc. By using the site, you agree to abide and be bound by the site [Terms of Use](#), which prohibit commercial use of any information on the site. Todays News Herald is a publication of River City Newspapers Inc. All Rights Reserved.